

**IBERVILLE PARISH CLERK OF COURT**

**FINANCIAL REPORT**

**JUNE 30, 2012**

**IBERVILLE PARISH CLERK OF COURT  
TABLE OF CONTENTS  
JUNE 30, 2012**

|   | <u>EXHIBIT</u> | <u>SCHEDULE</u> | <u>PAGE</u> |
|---|----------------|-----------------|-------------|
| Independent Auditors' Report  | -              | -               | 1-2         |
| Basic Financial Statements  |                |                 | 3           |
| Statement of Net Assets   | A              | -               | 4           |
| Statement of Activities   | B              |                 | 5           |
| Combined Balance Sheet - Governmental Funds   | C              | -               | 6           |
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balance - Governmental Funds  | D              |                 | 7           |
| Reconciliation of the statement of Revenues, Expenditures,<br>and Changes in Fund Balances of Governmental Funds<br>to the Statement of Activities  | E              | -               | 8           |
| Statement of Fiduciary Net Assets   | F              | -               | 9           |
| Schedule of Changes in Unsettled Deposits -<br>Fiduciary Funds  | G              | -               | 10          |
| Notes to the Financial Statements   | -              | -               | 11-28       |
| Required Supplementary Information  | -              | -               | 29          |
| Statement of Revenues, Expenditures, and Changes<br>in Fund Balance - Budget to Actual - General Fund   | H              | -               | 30          |
| Schedule of Funding Progress  | I              | -               | 31          |
| Other Supplemental Information  | -              | -               | 32          |
| Report on Internal Control Over Financial Reporting<br>and on Compliance and Other Matters Based on an<br>Audit of Financial Statements Performed in Accordance<br>with Government Auditing Standards | -              | 2               | 33-34       |
| Schedule of Findings and Questioned Costs   | -              | 3               | 35-37       |
| Summary Schedule of Prior Audit Findings  | -              | 4               | 38          |

# **BAXLEY AND ASSOCIATES, LLC**

P. O. Box 482  
58225 Belleview Drive  
Plaquemine, Louisiana 70764  
Phone (225) 687-6630 Fax (225) 687-0365

Hugh F. Baxley, CPA/CVA/PFS/FCPA  
Margaret A. Pritchard, CPA

-----  
Staci H. Joffrion, CPA

The Honorable J.G. "Bubbie" Dupont, Jr.  
Iberville Parish Clerk of Court  
Plaquemine, Louisiana

## **INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Iberville Parish Clerk of Court as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements of the Clerk of Court as listed in the table of contents. These financial statements are the responsibility of the Clerk of Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for the Iberville Parish Clerk of Court as of June 30, 2012, and the respective changes in financial position, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2012 on our consideration of Iberville Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

## INDEPENDENT AUDITORS' REPORT (continued)

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 29 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Iberville Parish Clerk of Court has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Iberville Parish Clerk of Court's financial statements, as a whole. The other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Iberville Parish Clerk of Court. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
December 6, 2012

## EXHIBIT A

**IBERVILLE PARISH CLERK OF COURT  
STATEMENT OF NET ASSETS  
JUNE 30, 2012**

|  | <b>Governmental<br/>Activities</b> |
|--|------------------------------------|
| <b>ASSETS</b>  |                                    |
| Cash and cash equivalents                            | \$ 441,939                         |
| Investments  | 115,311                            |
| Account receivable                                   | 66,937                             |
| Prepaid insurance                                    | 4,705                              |
| Capital assets (net of accumulated<br>depreciation): |                                    |
| Furniture and fixtures                               | 2,080                              |
| <b>TOTAL ASSETS</b>                                  | <b>\$ 630,972</b>                  |
| <br><b>LIABILITIES AND NET ASSETS</b>                |                                    |
| <b>Liabilities</b>                                   |                                    |
| Accounts payable                                     | \$ 4,831                           |
| Noncurrent liabilities:                              |                                    |
| Compensated absences                                 | 30,063                             |
| OPEB payable   | 109,795                            |
| <b>Total liabilities</b>                             | <b>144,689</b>                     |
| <b>Net Assets</b>                                    |                                    |
| Invested in capital assets, net of related debt      | 2,080                              |
| Unrestricted   | 484,203                            |
| <b>TOTAL NET ASSETS</b>                              | <b>\$ 486,283</b>                  |

The accompanying notes are an integral part of this statement.

**EXHIBIT B****IBERVILLE PARISH CLERK OF COURT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012****EXPENDITURES/EXPENSES****General Government:**

|                        |              |
|------------------------|--------------|
| Administration         | \$ 892,343   |
| Operating services     | 272,520      |
| Travel                 | 7,546        |
| Materials and supplies | 77,496       |
| Depreciation           | <u>3,173</u> |

|                                    |                         |
|------------------------------------|-------------------------|
| <b>TOTAL EXPENDITURES/EXPENSES</b> | <b><u>1,253,078</u></b> |
|------------------------------------|-------------------------|

**PROGRAM REVENUES**

|   |               |
|---|---------------|
| Licenses and permits                        | 4,813         |
| Fees, charges and commissions for services: |               |
| Court costs, fees, and charges              | 656,972       |
| Fees for recording documents                | 351,415       |
| Fees for certified copies of documents      | 135,425       |
| Miscellaneous services                      | 79,167        |
| Miscellaneous                               | <u>30,519</u> |

|                              |                         |
|------------------------------|-------------------------|
| <b>TOTAL PROGRAM REVENUE</b> | <b><u>1,258,311</u></b> |
|------------------------------|-------------------------|

**GENERAL REVENUE**

|                     |               |
|---------------------|---------------|
| Investment earnings | <u>31,808</u> |
|---------------------|---------------|

|                               |                      |
|-------------------------------|----------------------|
| <b>TOTAL GENERAL REVENUES</b> | <b><u>31,808</u></b> |
|-------------------------------|----------------------|

|                             |               |
|-----------------------------|---------------|
| <b>CHANGE IN NET ASSETS</b> | <b>37,041</b> |
|-----------------------------|---------------|

**NET ASSETS**

|                       |                |
|-----------------------|----------------|
| Beginning of the year | <u>449,242</u> |
|-----------------------|----------------|

|                        |                          |
|------------------------|--------------------------|
| <b>End of the year</b> | <b><u>\$ 486,283</u></b> |
|------------------------|--------------------------|

The accompanying notes are an integral part of this statement.

**IBERVILLE PARISH CLERK OF COURT  
BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2012**

|                           | <u>General<br/>Fund</u>  |
|---------------------------|--------------------------|
| <b>ASSETS</b>             |                          |
| Cash and cash equivalents | \$ 441,939               |
| Investments               | 115,311                  |
| Accounts receivable       | 66,937                   |
| Prepaid insurance         | <u>4,705</u>             |
| <b>TOTAL ASSETS</b>       | <b><u>\$ 628,892</u></b> |

**LIABILITIES AND FUND BALANCES**

|                                      |                     |
|--------------------------------------|---------------------|
| <b>Liabilities</b>                   |                     |
| Accounts payable                     | <u>\$ 4,831</u>     |
| <b>Total Liabilities</b>             | <b><u>4,831</u></b> |
| <b>Fund Balance</b>                  |                     |
| Nonspendable - not in spendable form | 4,705               |
| Unassigned                           | <u>619,356</u>      |
| <b>Total Fund Balance</b>            | <b>624,061</b>      |

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets:

|   |                          |
|---|--------------------------|
| Cost of capital assets at June 30, 2012 less accumulated depreciation | 2,080                    |
| Compensated absences payable at June 30, 2012                         | (30,063)                 |
| OPEB (Other Post Employment Benefit) payable at June 30, 2012         | <u>(109,795)</u>         |
| <b>Net assets of governmental activities</b>                          | <b><u>\$ 486,283</u></b> |

The notes to the financial statements are an integral part of this statement.

## EXHIBIT D

**IBERVILLE PARISH CLERK OF COURT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND TYPE-GENERAL FUND (SALARY)  
FOR THE YEAR ENDED JUNE 30, 2012**

**REVENUES**

|   |                         |
|---|-------------------------|
| Licenses and permits                          | \$ 4,813                |
| Fees, charges and commissions for services:   |                         |
| Court costs, fees, and charges                | 656,972                 |
| Fees for recording documents                  | 351,415                 |
| Fees for certified copies of documents        | 135,425                 |
| Miscellaneous services                        | 79,167                  |
| Use of money and property - Interest earnings | 31,808                  |
| Miscellaneous                                 | 30,519                  |
| <b>TOTAL REVENUES</b>                         | <b><u>1,290,119</u></b> |

**EXPENDITURES**

|  |                         |
|--|-------------------------|
| General Government:                    |                         |
| Personal services and related benefits | 858,167                 |
| Operating services                     | 272,520                 |
| Materials and supplies                 | 77,496                  |
| Travel and other charges               | 7,546                   |
| Capital outlay                         | -                       |
| <b>TOTAL EXPENDITURES</b>              | <b><u>1,215,729</u></b> |

**EXCESS (DEFICIENCY) OF REVENUES  
OVER EXPENDITURES** **74,390**

**FUND BALANCE AT BEGINNING OF YEAR** **549,671**

**FUND BALANCE AT END OF YEAR** **\$ 624,061**

The accompanying notes are an integral part of this statement.



IBERVILLE PARISH CLERK OF COURT  
 RECONCILIATION OF THE STATEMENT OF REVENUES  
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2012

Amounts reported for governmental activities are  
 different because:

|   |           |
|---|-----------|
| Net Change in fund balances - total governmental funds (page 7) | \$ 74,390 |
|---|-----------|

|  |         |
|--|---------|
| The liability and expense for compensated absences are not reported in governmental funds. Payments for compensated absences are reported as salaries when they occur. | (6,366) |
|--|---------|

|   |          |
|---|----------|
| Annual OPEB (Other Post Employment Benefit) Expense | (27,810) |
|---|----------|

|   |         |
|---|---------|
| Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | (3,173) |
|---|---------|

|  |                  |
|--|------------------|
| Change in net assets of governmental activities (page 5) | \$ <u>37,041</u> |
|--|------------------|

The accompanying notes are an integral part of this statement.

IBERVILLE PARISH CLERK OF COURT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2012

|                          | Advance<br>Deposit<br>Fund | Registry<br>of Court<br>Fund | Civil<br>Jury<br>Fund | Total               |
|--------------------------|----------------------------|------------------------------|-----------------------|---------------------|
| <b>ASSETS</b>            |                            |                              |                       |                     |
| Cash                     | \$ 689,687                 | \$ 6,600,735                 | \$ 186                | \$ 7,290,608        |
| Investments              | 1,688,128                  | -                            | -                     | 1,688,128           |
| Due from other funds     | 86                         | -                            | -                     | 86                  |
| Accounts receivable      | 107,985                    | -                            | -                     | 107,985             |
| <b>TOTAL ASSETS</b>      | <b>\$ 2,485,886</b>        | <b>\$ 6,600,735</b>          | <b>\$ 186</b>         | <b>\$ 9,086,807</b> |
| <b>LIABILITIES</b>       |                            |                              |                       |                     |
| Due to other funds       | \$ -                       | \$ -                         | \$ 86                 | 86                  |
| Unsettled deposits       | 2,485,886                  | 6,600,735                    | 100                   | 9,086,721           |
| <b>TOTAL LIABILITIES</b> | <b>2,485,886</b>           | <b>6,600,735</b>             | <b>186</b>            | <b>9,086,807</b>    |
| <b>NET ASSETS</b>        | <b>\$ -</b>                | <b>\$ -</b>                  | <b>\$ -</b>           | <b>\$ -</b>         |

The accompanying notes are an integral part of this statement.

**IBERVILLE PARISH CLERK OF COURT  
SCHEDULE OF CHANGES IN UNSETTLED DEPOSITS  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2012**

|  | <u>Advance<br/>Deposit<br/>Fund</u> | <u>Registry<br/>of Court<br/>Fund</u> | <u>Civil<br/>Jury<br/>Fund</u> | <u>Total<br/>(Memorandum<br/>Only)</u> |
|--|-------------------------------------|---------------------------------------|--------------------------------|--|
| <b>UNSETTLED DEPOSITS AT BEGINNING<br/>OF YEAR</b> | <b><u>\$ 2,258,800</u></b>          | <b><u>\$ 7,782,508</u></b>            | <b><u>\$ 186</u></b>           | <b><u>\$ 10,041,494</u></b>            |
| <b>ADDITIONS</b>                                   |                                     |                                       |                                |  |
| Deposits:  |                                     |                                       |                                |  |
| Suits and successions                              | 896,415                             | -                                     | -                              | 896,415                                |
| Judgments  | -                                   | 18,964                                | -                              | 18,964                                 |
| Transfers  | -                                   | -                                     | 21,022                         | 21,022                                 |
| Miscellaneous                                      | -                                   | -                                     | -                              | -                                      |
| Gain on investment                                 | 1,902                               | -                                     | -                              | 1,902                                  |
| Interest earned                                    | -                                   | 10,531                                | -                              | 10,531                                 |
| <b>TOTAL ADDITIONS</b>                             | <b><u>898,317</u></b>               | <b><u>29,495</u></b>                  | <b><u>21,022</u></b>           | <b><u>948,834</u></b>                  |
| <b>TOTAL</b>                                       | <b><u>3,157,117</u></b>             | <b><u>7,812,003</u></b>               | <b><u>21,208</u></b>           | <b><u>10,990,328</u></b>               |
| <b>REDUCTIONS</b>                                  |                                     |                                       |                                |  |
| Clerk's costs (transferred to General Fund)        | 474,547                             | -                                     | -                              | 474,547                                |
| Settlements to litigants                           | -                                   | 1,211,268                             | -                              | 1,211,268                              |
| Sheriff's fees                                     | 44,170                              | -                                     | -                              | 44,170                                 |
| Payments to Jurors (Transfers to Civil Jury)       | 21,022                              | -                                     | 21,022                         | 42,044                                 |
| Other reductions                                   | 131,492                             | -                                     | -                              | 131,492                                |
| <b>TOTAL REDUCTIONS</b>                            | <b><u>671,231</u></b>               | <b><u>1,211,268</u></b>               | <b><u>21,022</u></b>           | <b><u>1,903,521</u></b>                |
| <b>UNSETTLED DEPOSITS AT END<br/>OF YEAR</b>       | <b><u>\$ 2,485,886</u></b>          | <b><u>\$ 6,600,735</u></b>            | <b><u>\$ 186</u></b>           | <b><u>\$ 9,086,807</u></b>             |

The accompanying notes are an integral part of this statement.

**IBERVILLE PARISH CLERK OF COURT  
PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages, and other acts, and has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Presentation**

*The accompanying financial statements of the Iberville Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.*

**2. Reporting Entity**

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Clerk of Court includes all funds, account groups, activities, etc., that are controlled by the Clerk of Court as an independently elected parish official. As an independently elected parish official, the Clerk of Court is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Clerk's office that are paid or provided by the Iberville Parish Council as required by Louisiana law, the Clerk of Court is financially independent. Accordingly, the Clerk of Court is a separate governmental reporting entity. Certain units of local government over which the Clerk of Court exercises no oversight responsibility, such as the Parish Council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Iberville Parish Clerk of Court.

**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Basic Financial Statements – Government-Wide Statements**

The Clerk of Court's basic financial statements include both government-wide (reporting on the Clerk of Court as a whole) and fund financial statements (reporting the Clerk's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business-type. All activities of the Clerk are classified as governmental.

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Clerk, except fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognized all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts; invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gain, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gain, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues.

**Program Revenues** – Program revenues included in the Statement of Activities are derived directly from parties outside the Clerk's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the Clerk's general revenues.

**Allocation of Indirect Expenses** – The Clerk reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources as they are needed.

**4. Basic Financial Statements - Fund Financial Statements**

The clerk uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain clerk functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**Governmental Funds**

Governmental funds account for all or most of the clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Clerk of Court. The following are the clerk's governmental funds:

**Major Fund - General**

**General Fund** - the primary operating fund of the clerk and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to clerk policy.

**Non-Major Fund**

**Fiduciary Funds**

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the clerk are agency funds. The agency funds (Advance Cost, Registry of Court and Civil Jury) account for assets held by the clerk as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**5. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Fund Financial Statements (FFS)**

The amounts reflected in the General Fund and Other Funds, of Statements A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, *only current assets and current liabilities are generally included on the balance sheet.* The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of clerk operations.

The amounts reflected in the General Fund and Other Funds, of Statements A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

*Revenues*

Recordings, cancellations, court attendance, criminal costs, etc., are recorded in the year they are earned.

Interest income on certificates is recorded when the certificates have matured and the income is available.

Substantially all other revenues are recorded when received.

*Expenditures*

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**6. Budget Practices**

The proposed original budget for the 2012 fiscal year was made available for public inspection at the Clerk's office on June 13, 2011. The budget hearing for the original budget was held at the Iberville Parish Courthouse on June 21, 2011.

**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The proposed budgets, prepared on the accrual basis of accounting, were published in the official journal at least ten days prior to the public hearing. The budget is legally adopted and amended, as necessary, by the Clerk. All appropriations lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**7. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

**8. Investments**

Under state law, the Clerk of Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at market value.

**9. Inventory**

The Iberville Parish Clerk of Court does not have an inventory.

**10. Receivables**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

**11. Bad Debts**

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2012, there were no amounts considered to be uncollectible

**12. Prepaid Items**

Payments made to vendors for general insurance that will benefit periods beyond June 30 are recorded as prepaid expenditures.



**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**13. Capital Assets**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. The Clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

| <u>Description</u>      | <u>Estimated Lives</u> |
|-------------------------|------------------------|
| Furnitures and fixtures | 5-10 years             |
| Machinery and equipment | 3-10 years             |
| Building improvements   | 20-40 years            |

**14. Compensated Absences**

The Clerk of Court has the following policy relating to vacation and sick leave:

- a. After one year of employment, employees earn one week vacation.
- b. After two years of employment, employees earn two weeks vacation.
- c. All employees are given eight authorized time off days per year for sickness, funeral, etc.
- d. Beginning January 1, 2005, a maximum of 3 days and a minimum of 1 day can be carried over and paid to the employee in January following the year it was earned. If an employee is terminated or quits during the year, the employee will be paid for all unused vacation and sick leave.

**15. Fund Equity**

The Clerk of Court elected to implement GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, fund balance of the governmental funds are classified as follows:

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the Clerk of Court. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Clerk of Court.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

*Unassigned* – all other spendable amounts.

As of June 30, 2012, the Clerk had nonspendable fund balances of \$4,705 and unassigned fund balances of \$319,356. As noted above, restricted funds are used first as appropriate. Assigned funds are reduced to the extent that expenditure authority has been budgeted by the Court or the assignment has been changed by the Court. Decreases to fund balance first reduce Unassigned fund balance; in the event that Unassigned becomes zero, then Assigned and Committed fund balances are used in that order.

**16. Interfund Activities**

The Clerk of Court transfers certain fees and interest earned on deposits of the Advance Deposit Fund to the General Fund to be utilized by the General Fund in its operations. The Advance Cost Fund also makes transfers to the Civil Jury Fund for payments to jurors who serve on civil jury cases. In those cases where the physical transfer of assets has not taken place as of year end, or where repayment is expected, these amounts are accounted for through the various due to due from accounts.

**17. Clerk's Fees Transferred from Advance Deposit Agency Fund**

These fees represent revenue to the Clerk of Court earned from everyday operations such as copying and faxing for litigants and standard fees charged on suits. These fees are collected by transfer of litigant's money deposited in Advance Deposit Fund to the General Fund.

**18. Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

*Cash and cash equivalents:*

At June 30, 2012, the Clerk of Court had cash and cash equivalents (book balances) totaling \$7,732,546 and bank balances totaling \$7,773,521 as follows:

|                                      |                                |
|--------------------------------------|--------------------------------|
| Non-interest bearing demand deposits | \$ 20,553                      |
| Interest bearing demand deposits     | <u>7,752,968</u>               |
| <br><b>TOTAL</b>                     | <br><b><u>\$ 7,773,521</u></b> |

The deposits are stated at cost, which approximates market.

*Security on deposits:*

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2012, the Clerk had the following security on deposits:

|   | <u>Cash</u>         | <u>Nonnegotiable<br/>Certificates of<br/>Deposit</u> | <u>Total</u>        |
|---|---------------------|--|---------------------|
| Deposits per Balance Sheet (Reconciled bank balance)  | <u>\$ 7,732,546</u> | <u>\$ 1,490,311</u>                                  | <u>\$ 9,222,857</u> |
| Deposits in bank accounts per bank  | <u>\$ 7,773,521</u> | <u>\$ 1,490,311</u>                                  | <u>\$ 9,263,832</u> |
| Bank balances exposed to custodial credit risk:   |                     |  | <u>\$ 8,043,280</u> |
| a. Uninsured and uncollateralized   |                     |  | -                   |
| b. Uninsured and collateralized with securities held by the pledging institution  |                     |  | -                   |
| c. Uninsured and collateralized with securities held by the pledging institutions's trust department or agent, but not in the entity's name |                     |  | <u>8,043,280</u>    |

**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS, (CONTINUED)**

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

*Investments:*

Investments of the Clerk of Court consist of certificates of deposit, U.S. government securities, and LAMP Asset Management Pool investments. These securities are stated at their fair value as required by GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*. The Clerk of Court used quoted market values to determine fair value of the investments.

Interest Rate Risk - The Clerk of Court has no formal investment policy but has adopted the state investment policy at LA RS 49:327. The Clerk invests in investments with maturities limited to two years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Clerk's deposits may not be returned to it. The Clerk of Court invests in certificates of deposits that are backed by FDIC and pledged securities, U.S. government securities, and LAMP investments. The Clerk has adopted the state investment policy at LA RS 49:327 and does not have any other policy that would further limit the investment choices. As of June 30, 2012, \$8,043,280 of the Clerk's bank balances of \$9,263,832 were exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name.

Concentration of Credit Risk - The Clerk places no limits on the amount they may invest in any one issuer.

The Clerk of Court had the following investments at June 30, 2012:

| Descriptions                            | Cost             | Fair Value       | Maturity Date | Interest Rate |
|---|------------------|------------------|---------------|---------------|
| Certificates of Deposit - various banks | \$ 1,490,311     | 1,490,311        | 2012-2013     | 0.1% - 2.15%  |
| Federal Bonds - Edward Jones            | 200,000          | 213,116          | 9/11/2015     | 2.88%         |
| LAMP Asset Management Pool              | 100,000          | 100,012          | See below     | 0.14%         |
| Total Investments                       | <u>1,790,311</u> | <u>1,803,439</u> |               |               |

**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS, (CONTINUED)**

Certificates of Deposit

At June 30, 2012, the Clerk held certificates of deposit, with an original maturity greater than 90 days, totaling \$1,490,311. These investments are stated on the balance sheet (carrying value) at market value.

Federal Bonds

The Clerk had investments in federal bonds backed by the federal government totaling \$213,116 at June 30, 2012 in Edward D. Jones.

Louisiana Asset Management Pool, Inc.

Investments held at June 30, 2012 consist of \$100,012 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2011 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA. R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in investment grade (A-1/P-1) commercial paper of domestic United States corporations. Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS, (CONTINUED)**

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAMP is a 2a7-like pool. The following facts are relevant for 2a7-like investment pools:

Credit risk: LAMP is rate AAAM by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 75 (from LAMP's monthly Statement of Net Assets) as of 6/30/12.

Foreign currency risk: Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

**NOTE C – RECEIVABLES**

The receivables at June 30, 2012 are as follows:

|                          |    |               |
|--------------------------|----|---------------|
| Various accounts         | \$ | 25,470        |
| Litigants and others     |    | 39,907        |
| Iberville Parish Council |    | <u>1,560</u>  |
| TOTAL                    | \$ | <u>66,937</u> |

**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE D – CHANGES IN CAPITAL ASSETS**

|                          | Balance<br>6/30/2011 | Additions | Deletions | Balance<br>6/30/2012 |
|--------------------------|----------------------|-----------|-----------|----------------------|
| Furniture and fixtures   | \$ 52,899            | \$ -      | \$ -      | \$ 52,899            |
| Machinery and equipment  | 115,204              | -         | -         | 115,204              |
| Building improvements    | 4,700                | -         | -         | 4,700                |
|                          | 172,803              | -         | -         | 172,803              |
| Accumulated depreciation | 167,550              | 3,173     | -         | 170,723              |
| Capital Assets, net      | <u>\$ 5,253</u>      |           |           | <u>\$ 2,080</u>      |

Depreciation expense is \$3,173 and is recorded on the General Fund Statement of Activities.

**NOTE E - PENSION PLAN**

*Plan Description.* Substantially all employees of the Iberville Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerk of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

*Funding Policy.* Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Iberville Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 17.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Iberville Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Iberville Parish Clerk of Court's contributions to the System for the years ending June 30, 2012, 2011, and 2010 were \$103,608, \$100,921, and \$84,313, respectively, equal to the required contributions for each year.

**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE E - PENSION PLAN, (CONTINUED)**

Effective July 1, 1999, R.S. 11:1562(C) allows the Clerk to pay all or any portion of the 8.25 percent employee contribution. The Iberville Parish Clerk of Court has elected to pay all of the employee contributions. The Clerk's elective contributions to the Plan for the years ending June 30, 2012, 2011, and 2010 were \$49,552, \$48,267, and \$47,158, respectively.

**NOTE F - DEFERRED COMPENSATION PLAN**

*Plan Description.* All full time employees of the Iberville Parish Clerk of court are eligible to participate in the Louisiana Public Employees Deferred Compensation Plan, a salary deferral plan established pursuant to Internal Revenue Code 457 and R.S. 42:1301-1308 and administered by the Louisiana Deferred Compensation Commission.

*Funding Policy.* Plan members may elect to defer a maximum of \$17,000 if under 50 years of age, and \$22,500 if over 50 years of age. Additionally, the Clerk has elected to match dollar for dollar up to 10% of employee contributions to the plan. The Clerk's elective contributions to the Plan for the year ended June 30, 2012, 2011, and 2010, were \$41,835, \$32,524, and \$36,357, respectively.

**NOTE G - OTHER POST-EMPLOYMENT BENEFITS**

*Plan Description.* The Clerk's defined benefit post-employment health care plan ("the Retiree Health Plan") provides medical, dental and life insurance benefits to eligible retired employees and their beneficiaries. The Retiree Health Plan is affiliated with the Louisiana Clerks of Court Insurance Trust ("LCCIT"), an agent multiple-employer post-employment healthcare plan administered by the Louisiana Clerks of Court Association.

*Funding Policy.* The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk contributed 50% of the cost of the current-year premiums for eligible retired plan members and 0% of the costs for retired plan members' spouses and dependent children. For fiscal year 2012, the Clerk contributed \$8,013 to the plan and the retirees contributed \$8,013.

*Annual OPEB Cost and Net OPEB Obligation.* For 2012, the Clerk's annual other post-employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.



**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE G - OTHER POST-EMPLOYMENT BENEFITS, (CONTINUED)**

The following table shows the components of the Clerk's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the Clerk's net OPEB obligation to the Retiree Health Plan:

|  |                          |
|--|--------------------------|
| Annual Required Contribution               | \$ 55,482                |
| Interest on Net OPEB Obligation            | 3,279                    |
| Adjustment to Annual Required Contribution | <u>(2,928)</u>           |
| Annual OPEB Cost (Expense)                 | 55,833                   |
| Contributions Made                         | <u>(28,023)</u>          |
| Increase in Net OPEB Obligation            | 27,810                   |
| Net OPEB Obligation - beginning of year    | <u>81,985</u>            |
| Net OPEB Obligation - end of year          | <u><u>\$ 109,795</u></u> |

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2012 is as follows:

| Fiscal<br>Year<br>Ended | Annual<br>OPEB Cost | Percentage of<br>Annual OPEB<br>Cost Contributed | Net OPEB<br>Obligation |
|-------------------------|---------------------|--|------------------------|
| 6/30/2010               | \$ 55,482           | 25.1%  | \$ 41,533              |
| 6/30/2011               | \$ 55,660           | 27.3%  | \$ 81,985              |
| 6/30/2012               | \$ 55,833           | 50.2%  | \$ 109,795             |

*Funded Status and Funding Progress.* As of June 30, 2009, the actuarial accrued liability for benefits was \$783,791, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$546,167, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 143.5%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE G - OTHER POST-EMPLOYMENT BENEFITS, (CONTINUED)**

*Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2009 actuarial valuation, the entry age actuarial cost method was used. Based on the Clerk's short-term investment portfolio, a discount rate of 4.0% was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 10% initially, reduces by decrements to an ultimate rate of 5.5% after 10 years. The Clerk's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis over 30 years.

**NOTE H – COMPENSATED ABSENCES**

The change in compensated absences for the year ending June 30, 2012 was as follows:

|                                 |                  |
|---------------------------------|------------------|
| Beginning balance, July 1, 2011 | \$ 23,696        |
| Increase/Decrease               | <u>6,367</u>     |
| Ending balance, June 30, 2012   | <u>\$ 30,063</u> |

**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE I - CHANGES IN AGENCY FUND BALANCES**

A summary of changes in agency fund unsettled deposits follows:

| Agency Funds:            | <u>Unsettled<br/>Deposits<br/>Beginning</u> | <u>Additions</u>      | <u>Reductions</u>       | <u>Unsettled<br/>Deposits<br/>Ending</u> |
|--------------------------|---|-----------------------|-------------------------|--|
| Year ended June 30, 2012 |   |                       |                         |  |
| Advance Deposit          | \$ 2,258,800                                | \$ 898,317            | \$ 671,231              | \$ 2,485,886                             |
| Registry of Court        | 7,782,508                                   | 29,495                | 1,211,268               | 6,600,735                                |
| Civil Jury               | <u>186</u>                                  | <u>21,022</u>         | <u>21,022</u>           | <u>186</u>                               |
| <br>TOTAL                | <br><u>\$ 10,041,494</u>                    | <br><u>\$ 948,834</u> | <br><u>\$ 1,903,521</u> | <br><u>\$ 9,086,807</u>                  |

**NOTE J - EXCESS FUND BALANCE**

Louisiana Revised Statute 13:785 requires that every four years (at the close of the term of office), the Clerk of Court must pay the parish treasurer the portion of the General Fund balance that exceeds one-half the revenues of the Clerk's last year of his term of office. At June 30, 2008, there was no amount due the parish treasurer.

|  |                            |
|--|----------------------------|
| General Fund Balance, 6/30/12, prior to<br>calculation of distribution to Iberville Parish Council | \$ 624,061                 |
| Maximum all fund balance:  |                            |
| Revenues for the year ended 6/30/12  | 1,290,119                  |
| One half of revenues   | <u>0.50</u> <u>645,060</u> |
| <br>No excess fund balance due to Iberville Parish Council   | <br><u>\$ (20,999)</u>     |

**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE K - EXPENDITURES OF THE CLERK OF COURT PAID BY THE IBERVILLE PARISH COUNCIL**

Certain operating expenditures of the Clerk's office are paid by the Parish Council and are not included in the accompanying financial statements. These expenditures for the year ended June 30, 2012 are summarized as follows:

|                       | <u>2012</u>             |
|-----------------------|-------------------------|
| Equipment rentals     | \$ 5,644                |
| Capital outlay        | 24,829                  |
| Maintenance contracts | 936                     |
| Office supplies       | 27,892                  |
| Telephone             | 2,388                   |
| Technology fee        | 4,301                   |
| Professional services | 620                     |
| Court attendance      | <u>15,560</u>           |
| <b>TOTAL</b>          | <b><u>\$ 82,170</u></b> |

**NOTE L - LEASES**

The Clerk of Court is obligated under various leases for a vehicle and computer maintenance. These leases are accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations; therefore, the results of the lease agreements are not reflected in the clerk's account groups.

The lease terms range from 33 to 60 months. These leases require a total monthly payment of \$3,137. Total rent expense under these leases for the year ended June 30, 2012 was \$37,519.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2012:

| <u>Year Ending June 30,</u>     | <u>Amounts</u>          |
|---------------------------------|-------------------------|
| 2013                            | 29,394                  |
| 2014                            | 27,744                  |
| 2015                            | 20,808                  |
| 2016                            | <u>-</u>                |
| Total minimum payments required | <b><u>\$ 77,946</u></b> |

**IBERVILLE PARISH CLERK OF COURT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE M: LITIGATION**

The Clerk of Court is not currently involved in any litigation.

**N. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following individual funds had actual expenditures over budgeted appropriations for the year ended June 30, 2012:

| <u>Fund</u>         | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Unfavorable<br/>Variance</u> |
|---------------------|----------------------------|-------------------------|---------------------|---------------------------------|
| <u>General Fund</u> | <u>\$ 1,110,076</u>        | <u>\$ 1,110,076</u>     | <u>\$ 1,215,727</u> | <u>\$ (105,651)</u>             |

**NOTE O: SUBSEQUENT EVENTS**

These financial statements considered subsequent events through December 6, 2012, the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

IBERVILLE PARISH CLERK OF COURT  
PLAQUEMINE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET TO ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2012

|  | Original<br>Budget | Final<br>Budget   | Actual            | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|-------------------|-------------------|--|
| <b>REVENUES</b>  |                    |                   |                   |  |
| Licenses and permits   | \$ 4,500           | \$ 4,500          | \$ 4,813          | \$ 313                                 |
| Fees, charges and commissions for services:                  |                    |                   |                   |  |
| Court costs, fees, and charges                               | 604,200            | 604,200           | 656,972           | 52,772                                 |
| Fees for recording documents                                 | 329,100            | 329,100           | 351,415           | 22,315                                 |
| Fees for certified copies of documents                       | 101,500            | 101,500           | 135,425           | 33,925                                 |
| Miscellaneous services                                       | 74,750             | 74,750            | 79,167            | 4,417                                  |
| Use of money and property - Interest earnings                | 1,800              | 1,800             | 31,808            | 30,008                                 |
| Miscellaneous  | 30,000             | 30,000            | 30,519            | 519                                    |
| <b>TOTAL REVENUES</b>  | <b>1,145,850</b>   | <b>1,145,850</b>  | <b>1,290,119</b>  | <b>144,269</b>                         |
| <b>EXPENDITURES</b>  |                    |                   |                   |  |
| General Government:  |                    |                   |                   |  |
| Personal services and related benefits                       | 802,160            | 802,160           | 858,167           | (56,007)                               |
| Operating services   | 181,900            | 181,900           | 272,520           | (90,620)                               |
| Materials and supplies                                       | 104,000            | 104,000           | 77,496            | 26,504                                 |
| Travel and other charges                                     | 21,016             | 21,016            | 7,546             | 13,470                                 |
| Capital outlay   | 1,000              | 1,000             | -                 | 1,000                                  |
| <b>TOTAL EXPENDITURES</b>                                    | <b>1,110,076</b>   | <b>1,110,076</b>  | <b>1,215,729</b>  | <b>(105,653)</b>                       |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER EXPENDITURES</b> | <b>35,774</b>      | <b>35,774</b>     | <b>74,390</b>     | <b>38,616</b>                          |
| <b>FUND BALANCE, BEGINNING OF YEAR</b>                       | <b>549,671</b>     | <b>549,671</b>    | <b>549,671</b>    | <b>-</b>                               |
| <b>FUND BALANCE, END OF YEAR</b>                             | <b>\$ 585,445</b>  | <b>\$ 585,445</b> | <b>\$ 624,061</b> | <b>\$ 38,616</b>                       |

## EXHIBIT I

IBERVILLE PARISH CLERK OF COURT  
PLAQUEMINE, LOUISIANA  
SCHEDULE OF FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2012

| <u>Actuarial<br/>Valuation<br/>Date</u> | <u>Actuarial<br/>Value of<br/>Assets<br/>(a)</u> | <u>Actuarial<br/>Accrued<br/>Liability<br/>(AAL) -<br/>Entry Age<br/>(b)</u> | <u>Unfunded<br/>AAL<br/>(UAAL)<br/>(b-a)</u> | <u>Funded<br/>Ratio<br/>(a/b)</u> | <u>Covered<br/>Payroll<br/>(c)</u> | <u>UAAL as a<br/>Percentage<br/>of Covered<br/>Payroll<br/>((b-a)/c)</u> |
|---|--|--|--|-----------------------------------|------------------------------------|--|
| 6/30/2009                               | \$ -   | \$ 783,791   | \$ 783,791                                   | 0.0%                              | \$ 546,167                         | 143.5%   |



## **OTHER SUPPLEMENTAL INFORMATION**

# **BAXLEY AND ASSOCIATES, LLC**

P. O. Box 482  
58225 Belleview Drive  
Plaquemine, Louisiana 70764  
Phone (225) 687-6630 Fax (225) 687-0365

Hugh F. Baxley, CPA/CVA/PFS/FCPA  
Margaret A. Pritchard, CPA

-----  
Staci H. Joffrion, CPA

## **SCHEDULE 1**

The Honorable J.G. "Bubbie" Dupont, Jr.  
Iberville Parish Clerk of Court  
Plaquemine, Louisiana

### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Iberville Parish Clerk of Court as of and for the year ended June 30, 2012, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated December 6, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

Management of Iberville Parish Clerk of Court is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Iberville Parish Clerk of Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iberville Parish Clerk of Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Iberville Parish Clerk of Court's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified two deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (2012-1 and 2012-3). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Iberville Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2012-2.

The Iberville Parish Clerk of Court's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Iberville Parish Clerk of Court's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Legislative Auditors, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
December 6, 2012

## SCHEDULE 2

### IBERVILLE PARISH CLERK OF COURT SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2012

#### A. SUMMARY OF AUDITOR'S RESULTS

##### *Financial Statements*

Type of auditor's report issued: *unqualified*

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ yes      X   no
- Significant deficiencies identified that are not considered to be material weaknesses?   X   yes    \_\_\_\_\_ no
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

#### 2012-1 RECONCILIATION OF DOCKET BALANCES TO CASH

##### Condition

A reconciliation of the individual docket balances to the cash balance of the Advance Deposit Fund has not been prepared. This is a repeat finding.

##### Criteria

The clerk, in his fiduciary capacity, accepts funds on behalf of the court in connection with varied legal actions. These monies are held within the Advance Deposit Fund until there is some court or other action making it appropriate for the clerk to disburse the funds. The clerk, in his agency capacity, has a responsibility to reconcile and identify individual balances within the fund to the cash balance.

##### Effect

The lack of this reconciliation increases the risk that individual balances may be misstated and that the transactions that are based on the individual balances could be in error.

##### Recommendation

The clerk should reconcile the individual docket balances with the cash balance of the Advance Deposit Fund on a monthly basis to ensure the individual balances are accurate.

##### Management's Response

The unreconciled differences in the docket balances are largely due to pauper suits. On March 10, 2008, we started on a new computer system. One of our first steps in reconciling is closing all suits which have been inactive for a period of five years or more. At this point we are not finished due to cutbacks in our staff. We would need one employee dedicated to this task; however, it is not cost beneficial to hire someone to work solely on this task. We will continue to work on this task as time permits and have closed 292 suits in this fiscal year.

**IBERVILLE PARISH CLERK OF COURT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**2012-2 BUDGET**

Condition:

The total actual expenditures in the general fund exceeded the total budgeted expenditures by more than 5%. (This is a repeat finding.)

Criteria

The actual expenditures in the general fund should not exceed the estimated budgeted expenditures by more than 5 percent nor should the budgeted revenue exceed the actual revenues by more than 5 percent.

Effect

Due to large variances, the Clerk expended more than was budgeted.

Recommendation

Continuous efforts made by management should be made to monitor revenue and expenditures in relation to the budget. Amendments should be made as they become necessary.

Management's Response

The clerk will monitor the budget to actual more closely and amend close to year end if necessary.

**2012-3 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE WITH GAAP**

Condition:

The Clerk does not have employees with sufficient expertise and training to prepare financial statements in accordance with generally accepted accounting principles (GAAP).

Criteria:

Year-end adjusting journal entries were not made to the financial statements to ensure that the statements were prepared in accordance with generally accepted accounting principles.

Effect:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued Statement on Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

**IBERVILLE PARISH CLERK OF COURT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 112. In this case we do not believe the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

Management's Response:

The Clerk is aware of the condition and feels hiring an employee with requisite qualifications would be cost prohibitive. He feels that the most cost effective solution is to have his external auditor assist in preparing year-end financial statements in accordance with GAAP.

IBERVILLE PARISH CLERK OF COURT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2012

**2011-1 RECONCILIATION OF DOCKET BALANCES TO CASH**

Condition:

A reconciliation of the individual docket balances to the cash balance of the Advance Deposit Fund has not been prepared. This was a repeat finding.

Recommendation:

The Clerk should reconcile the individual docket balances with the cash balance of the Advance Deposit Fund on a monthly basis to ensure the individual balances are accurate.

Current Status:

The Clerk's office is continuing to work on this project, but the project is not completed due to cutbacks.

**2011-2 BUDGET**

Condition:

The total actual expenditures in the general fund exceeded the total budgeted expenditures by more than 5%.

Recommendation:

Continuous efforts made by management should be made to monitor revenue and expenditures in relation to the budget. Amendments should be made as they become necessary.

Current Status:

This condition is repeated for the current audit period.